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## Thailand

### Rice Price - Weekly

### Weekly Rice Price Update

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**Report Highlights:**

TH0055 Export prices increased by 1-3 percent due to the strengthening Thai baht to 32.15 baht/\$. In addition, domestic prices will likely bottom out as the Government is aggressively implementing the direct purchase program to shore up domestic prices. The weekly benchmark prices for March 22-28 were 1 percent higher than the previous week.

**Post:**  
Bangkok

## Market Tone

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Mar. 22, 2010**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	970	-	1,000	-	980	955	-	976	966
WR 100 B	525	-	550	-	530	530	550	537	532
PB 100%	520	-	565	-	540	530	580	547	542
PB 5%	515	-	555	-	530	535	575	542	533
WR 5%	490	-	510	-	500	500	540	508	501
WR 10%	485	-	500	-	490	495	-	493	484
WR 15%	460	-	485	-	-	485	-	477	465
WR 25%	440	-	455	-	-	455	-	450	445
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	365	-	390	-	380	385	-	380	378
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 32.15 baht/U.S.\$

Source: Average actual prices received from exporters

Export prices increased by 1-3 percent due to the strengthening Thai baht to 32.15 baht/\$, as compared to 32.45 baht/\$ from the previous week. Some exporters expect a continued strengthening of the Thai baht to 32.0 baht/\$ which will put further upward pressure on export prices. In addition, domestic prices will likely bottom out as the Government is aggressively implementing the direct purchase program to shore up domestic prices. The Ministry of Commerce (MOC) is modifying the program in an effort to create more incentives for rice millers who have been unwilling to participate in the program, stating that under the current structure they don't perceive economic rent. Foreign buyers are waiting to see the outcome of the program modification before closing further deals, in the meantime they continue to buy cheaper Vietnamese rice.

The weekly benchmark prices for March 22-28 were 1 percent higher than the previous week, as such farmers will receive less compensation. However, the compensation will fall short in attaining the insurance price levels, as the benchmark prices remain higher than market prices.

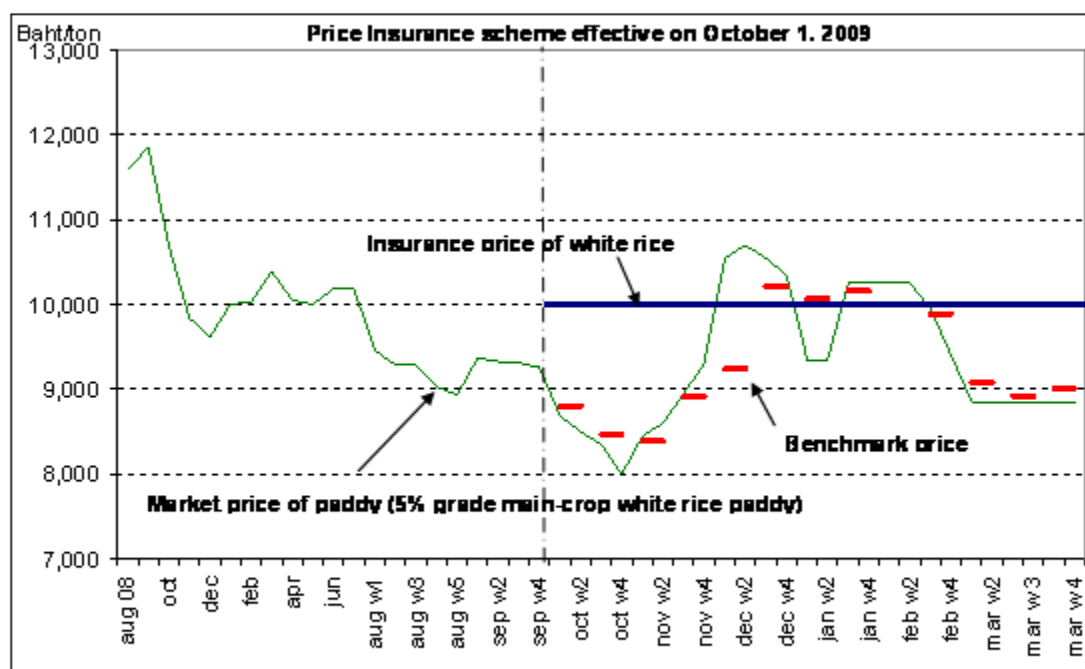
**Table 2: Price Insurance Scheme for MY2009/2010 rice crop**

	Rice paddy				
	Fragrant rice (Homnali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) <sup>a/</sup>	14	16	25	16	25
2. Insured prices (Baht/ton) <sup>a/</sup>	15,300	14,300	11,000 <sup>c/</sup>	9,500	10,000
3. Benchmark prices (Baht/ton) <sup>b/</sup>					
Feb. 16-28, 2010	14,796	14,148	11,824	11,207	9,886
Mar. 1-15, 2010	-	-	11,313	10,665	9,074
Mar. 15-21, 2010 <sup>b/</sup>	-	-	10,204	10,519	8,919
Mar. 22-28, 2010	-	-	10,317	10,374	9,006
4. Compensation (1-2), (Baht/ton)					
Feb. 16-28, 2010	504	152	-	-	114
Mar. 1-15, 2010	-	-	-	-	926
Mar. 15-21, 2010	-	-	796	-	1,081
Mar. 22-28, 2010	-	-	683	-	994
5. Market prices (Baht/ton)					
Feb. 16-28	14,700	13,900	11,500	11,125	9,400
Mar. 1-15	14,500	13,900	10,125	11,750	8,850
Mar. 15-21	14,040	13,900	10,250	11,250	8,850
Mar. 22-28 <sup>d/</sup>	13,850	13,900	10,750	11,250	8,850

Note:

<sup>a/</sup> Cabinet approval on Sep. 22, 2009<sup>b/</sup> Starting March 15, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last week in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.<sup>c/</sup> The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY 2009/10 main-crop price insurance scheme.<sup>d/</sup> As of Mar. 22, 2010

**Figure 2: Comparison of market price, insurance price, and benchmark price**



Note: Benchmark prices are average historical wholesales prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

## Rice Export Update

Unofficial rice exports (excluding fragrant rice) for March 15-21, 2010 totaled 119,203 up 5,374 tons from the previous week, and down 12,340 tons from the four-week moving average of 131,543 tons. Exports of white rice and parboiled rice during January 1 – March 21, 2010 totaled 1,411,328 tons, up 21.1 percent from 1,165,823 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – March 12, 2010 amounted to 1,691,425 tons, up 4.1 percent from 1,624,150 tons in the previous year.

**Table 3: Weekly rice exports (excluding fragrant rice)**

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Dec 31, 2009	25,812	97,440	5,900	7,470	-21.1
Jan 3, 2010	1,000	-	1	3	-68.0
Jan 10	111,299	-	112	85	32.6
Jan 17	171,849	-	284	211	34.8
Jan 24	137,308	105,364	422	353	19.5
Jan 31	104,448	131,226	526	428	22.9
Feb 7	98,535	128,035	624	545	14.7
Feb 14	121,947	115,559	746	654	14.1
Feb 21	139,182	116,028	886	783	13.1
Feb 28	157,915	129,395	1,043	880	18.6
Mar 7	135,227	138,568	1,178	974	21.0
Mar 14	113,829	136,538	1,292	1,077	19.9
Mar 21	119,203	131,543	1,411	1,166	21.1

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Source: Board of Trade of Thailand

**Table 4: Weekly private registered rice export sales**

Movement (MT)	Mar. 1-5	Mar. 8-12 (Revised)	Mar. 15-19 (Preliminary)
Weekly sales	80,340	184,045	65,217
4 week sum	686,995	637,638	520,044
4 week mov. avg.	171,749	159,410	130,011
Year-to-date sales	1,355,211	1,539,256	1,604,473

End of report.